

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

---

Prepared By: The Professional Staff of the Governmental Oversight and Accountability Committee

---

BILL: SB 2374

INTRODUCER: Senator Alexander

SUBJECT: State Employee Health Insurance

DATE: March 11, 2010

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wilson	Wilson	GO	<b>Favorable</b>
2.			WPSC	
3.				
4.				
5.				
6.				

**I. Summary:**

The bill continues the FY 2009-10 employer matching payment to the state employee health savings account of \$41.66 per month for single coverage and \$83.33 per month for family coverage for FY 2010-11.

This bill amends s. 110.123 of the Florida Statutes.

**II. Present Situation:**

The State of Florida offers a comprehensive array of workplace benefits to its officers and employees as part of a total compensation package. Many of the selections are governed by an automatic enrollment and retention policy in which the prior year choices are maintained in subsequent years unless the officer or employee chooses differently or experiences a qualifying status change.

For sickness and accident coverage, state employees may choose between indemnity or managed care options, each of which permits single person or family coverage. For the past several years the Legislature has authorized a high deductible health plan overlay to these choices. This feature is called a health savings account and it couples the ability to tax shelter employer and employee contributions into the same coverage options but with greater out-of-pocket expenses. This HSA, formally called a Healthy Investor Health Plan (HIHP), provides an employer contribution per month of \$41.66 for single coverage and \$83.33 for family coverage. As the covered employee assumes greater personal responsibility for cost-sharing, this choice is accompanied by a lower total premium. Unused amounts in the subscriber account carry forward to subsequent years and do not decay at the end of the plan year.

Section 110.123, F.S., establishes the employer contributions to this plan but the statute sets the contribution period for the current fiscal year only.

### **III. Effect of Proposed Changes:**

The bill continues the employer matching payment into the health savings account insurance option for state officers and employees for FY 2101-11 at the same FY 2009-10 rate.

#### **Other Potential Implications:**

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

### **V. Fiscal Impact Statement:**

#### **A. Tax/Fee Issues:**

None.

#### **B. Private Sector Impact:**

The matching payments accrue the benefit of the named officer or employee in a custodian account established for that purpose. Unlike a flexible spending accounts set up on a use-it-or-lose-it basis, unused account balances carry forward from year-to-year.

#### **C. Government Sector Impact:**

On February 22, 2010 the Self-Insurance Estimating Conference received a financial outlook statement of the State Employees' Group Health Insurance Trust Fund. There were 892 participants in the HIHP indemnity plan and 429 in the managed care plans in that month. Premium rates for coverage increase automatically by five percent in May of each year and the amounts in effect for the HIHP for May 2010 through April 2011 are as follows:

Category	Employer	Enrollee	TOTAL
FTE (Monthly)			
Single	473.62	15.00	488.62
Family	1004.14	64.30	1068.44
Spouse	1068.44	0	1068.44
FTE (Bi-Weekly)			
Single	236.81	7.50	244.31
Family	502.07	32.15	534.22
Spouse	534.22	0	534.22
COBRA (Monthly)			
Single	0	455.90	455.90
Family	0	1004.81	1004.81
Early Retirees (Monthly)			
Single	0	446.96	446.96
Family	0	985.11	985.11
Medicare			
One Eligible	0	209.56	209.56
One Under/Over	0	656.52	656.52
Both Eligible	0	419.12	419.12
Overage Dependents	0	446.96	446.96

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:****A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.